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MONTANA *Industrial Horizons*

STATE PLANNING BOARD SEPT.-OCT., 1961

Financiers Take Look at Investment Potential

MIDWESTERNERS TOUR TREASURE STATE

Governor Nutter addresses financiers and industrialists during luncheon meeting at Ryan Dam.

At the invitation of Gov. Donald G. Nutter, thirty-three midwestern financiers and industrialists from Minnesota, Iowa, Nebraska, N. Dakota and Wisconsin, toured Montana from Aug. 28 through Aug. 31 to investigate economic opportunities in the area. The tour was a sequel to the governor's earlier visit to the Twin Cities, where he stressed Montana's secondary financing needs.

The tour began in Whitefish the morning of Aug. 28, where the group arrived by train. They were met by business leaders, Chamber of Commerce members, and various state officials including Gov. Nutter. After a brief visit to the Big Mountain ski area, they were taken to Kalispell where the industrial potential of the Flathead was explained during a luncheon.

The tour then proceeded to the upper end of Flathead Lake where boats were waiting to take them for a cruise across the lake to Woods Bay. By car again, the caravan moved on to Polson for a coffee break and a visit to the new plant of the Polson Plywood Co. and the Big Bear briquet plant at Pablo.

In Missoula that evening the visitors were guests of the local Chamber of Commerce and banks at a banquet, and heard brief descriptions about the business opportunities in the Missoula area. The following morning they were shown some of the new economic developments in the vicinity.

Tuesday their itinerary carried them through Philipsburg, Anaconda, and into Butte for a luncheon with local business leaders. After their investigation of the Butte potential, the group continued to Helena for dinner and similar meeting at Frontier Town atop the Continental Divide.

Wednesday morning the group traveled to Great Falls for a tour of that area, and heard about the economy there from business leaders at a picnic at Ryan Dam.

That afternoon they flew to Billings for an evening meeting with business and industrial leaders of eastern Montana and a visit to various industrial plants in Billings.

"It's gratifying to have such a distinguished group honor us with a visit of this type at their own expense," said Gov. Nutter. "It is an indication of the enlivened interest in Montana as an area of great potential. This type of tour should surely bring benefits for our state."

Already, several Montana firms have been in contact with different members of the tour who observed industrial ventures here which they thought would be of interest to their companies.

Governor's Committee Assists Planning Board

J. Cameron Thomson, president of the Upper Midwest Research and Development Council, made the opening address at a meeting of the steering committee of the Governor's Committee on Economic Studies, September 7.

"Montana will share fully in the responsibilities and benefits of the research and action of this important program," he said. "Montana is a partner in the effort to accelerate the regional growth of the Upper Midwest."

Governor Nutter spoke to the meeting regarding the relationship of the State Planning Board and his Committee on Economic Studies. "The work of the committee and the board will complement each other," he said, "and it is hoped the committee will develop some concrete proposals to be implemented by the Planning Board."

Research at Montana State University and Montana State College was discussed by Dean Paul Blomgren of the MSU School of Business Administration, Mrs. Maxine C. Johnson, research associate with MSU's Bureau of Business and Economic Research, and Dr. John Fischer, head of the Department of Agricultural Economy at MSC.

The Governor's Economic Committee was organized a little over a month ago with the objective of providing more and better jobs for more people in Montana. It is composed of representatives of business, industry, labor, farming and ranching, and almost every economic segment in the state. Former Congressman Wesley A. D'Ewart of Wilsall is chairman.

At the October meeting, which was concerned with the development of water resources and recreational opportunities, Gov. Nutter presented some of the prob-

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Permanente to Build Plant in Montana

Permanente Cement Co., a division of Henry J. Kaiser Co. of Oakland, Calif., informed Gov. Nutter on Oct. 25 that they will build a $10 million cement manufacturing plant at old Montana City, about 7 miles from Helena. The State Planning Board has been assisting Permanente personnel since last May with feasibility studies of the location. The plant will employ approximately 100 people. Kaiser has the contract for supplying cement early in 1963 for the $109 million Yellowtail Dam on the Big Horn River.

Area Redevelopment Moves Ahead

The Federal Area Redevelopment Act of May 1, 1961, was enacted for the purpose of providing loans and grants to depressed areas to help finance new industries and to provide utilities and other services needed by industry in these areas.

Montana Areas Named

Since the enactment of this law, Montana has had twelve areas designated as eligible for financial assistance. These areas are Butte and Silver Bow County, Anaconda and Deer Lodge County, Flathead and Lincoln Counties, Lake County, Ravalli County, and Montana's seven Indian Reservations.

Before an eligible area is permitted to apply for loan or grant monies, it must prepare an over-all economic development plan which presents the area's resources, problems, and programs for the future. These plans must first be submitted to the State Planning Board for approval and then forwarded to the Area Redevelopment Administraion in Washingon, D. C., for final approval.

Butte Plan Approved

To date in Montana, Butte, Anaconda, Lake County and the Flathead Indian Reservation have submitted economic plans to the state and federal governments for approval. Butte's plan has been approved by the ARA and the others are pending federal approval.

Economic plans are nearing completion for Flathead and Lincoln Counties, the Blackfeet Indian Reservation, and Ravalli County. Most of the remaining eligible areas in the state are preparing plans under this project.

The "Wall Street Journal" in its September 28, 1961 issue reported as follows: "The ARA has thus far received more than 120 requests for help but most of them have been ruled ineligible. Two small projects have been approved: A water system in Gassville, Arkansas, and a sewer system in Cambridge, Maryland.

"Widespread misunderstanding has led many local governments to seek federal help in financing new hospitals, city halls, libraries and playgrounds, none of which are eligible for aid under the depressed areas program. One community even sought money for a new jail.

"The Southwest, generally regarded as a fast-growing, prosperous area, submitted almost as many requests for help as the chronically-depressed Appalachian coal mining area of the East. Only 12 of 40 pending applications come from the Appalachian region, where unemployment in some coal towns has ranged between 15% and 20% of the labor force for more than a decade. However, officials of the Area Redevelopment Administration look for a speed-up in the inflow of aid requests from the Appalachian region.

"The 40 pending applications call for more than $45 million in aid. Ten communities are seeking $12 million in grants for public facilities, while 12 are asking a total of $11.3 million in combined loans and grants for such facilities. A dozen applicants are asking a total of $22 million in industrial development loans; more than $16 million of this would go for two projects, a steel mill in Montana and an aluminum smelter in Kentucky.

"Loans to finance new factories are proving much less popular than the program's backers expected but demand for grants to finance services needed by industry is growing so fast that it may exceed the spending limit set by Congress. Many communities frankly prefer handouts to loans. Although the law provides more than three times as much money for loans as it does for grants, the requests for grants so far are almost equal to the loan total."

ARA Officials Visit State

David K. Hartley, Area Redevelopment Administration, Washington, D.C., and Thomas Current, Portland, Ore., Area Redevelopment Coordinator for the Pacific Northwest, visited Montana during the last week of October. They discussed area redevelopment problems with the State Planning Board, Butte, Kalispell and Hamilton, among others.

MSU Gets Grant To Study Planning Results

Montana urban planning problems are under study by Montana State University MSU officials have announced. The research is being directed by Dr. Ellis L. Waldron, professor of political science, and is supported by a $8,600 grant for 1961-62 from the Urban Research Program of the Upper Midwest Economic Study.

Dr. Waldron is conducting a survey of the urban planning experience of Montana communities. He is also attempting to evaluate the costs and advantages of consolidated planning for urban areas as compared to those for urban development in communities which lack an over-all development plan.

The project is part of the Upper Midwest Economic Study, which is directed at more rapid economic development of an area that includes Montana, Minnesota, North and South Dakota, northwestern Wisconsin, and upper Michigan.

The broad regional study is sponsored jointly by the Upper Midwest Research and Development Council, representing business and industry in the region, and the University of Minnesota, Dr. Waldron said. It is supported by funds from the Ford Foundation and by business and private contributions.

The first phase of the MSU project will assemble available data relating to city and city-county planning in Montana. Sixteen city-county planning boards have been created in the state and with matching funds from the federal government, administered through the Montana State Planning Board, master plans have been developed or are in advanced stages of preparation in Billings, Bozeman, Butte, Columbia Falls, Great Falls, Helena, Kalispell, Livingston, and Missoula.

Research Center to Be Built At Sidney

A $425,000 Northern Great Plains Regional Center for Soil and Water Research will be constructed in Sidney within the next fiscal year. $30,000 has been allocated for planning during the present fiscal year.

To Employ 30 People

The laboratory will study water and wind erosion, water penetration, and water storage on range and farm lands. Tests will also be conducted on wheat, safflower, and other grains produced in the Great Plains area. The lab will employ approximately 30 persons, of whom 10 will be scientists.

Sidney Chosen as Site

Civic leaders in Sidney began working to obtain the research center five years ago. Soil conservation districts in northeastern Montana took up the fight and they were joined by all conservation districts in Montana and North Dakota, the Richland County Planning Board, the Montana State Planning Board, North Dakota state officials, Montana Senators Mansfield and Metcalf, the late Senator Murray, and many private individuals.

Further influencing the choice of Sidney as the site of the laboratory is the fact that the lab must be constructed in conjunction with a facility of a land-grant college such as Montana State. The scope of the agricultural research program of the Bozeman college influenced the choice.

Conditions in Montana and the Dakotas have underscored the need for expanded research in methods of conserving our water and soil.

Anaconda to Expand Bonner Mill

Anaconda Company will expand its lumbering operations at Bonner, Edward I. Renouard, company vice president, announced recently.

Immediate plans call for construction of a plant for the processing of lumber into end products, building of a new planning mill, and complete modernization of the present sawmill. The new Anaconda Forest Products division is programmed for completion by the end of 1962.

"With fabrication of our lumber being done in Montana, new jobs will be created. This will mean greater stability in employment of logging and lumbering workers and many attendant benefits for western Montana," Renouard said.

Robert E. Sheridan, who has been administrative assistant to Renouard in the company's western operations headquarters in Butte, was named general manager of the new division.

Retail sales of lumber in Montana through nine Interstate Lumber Co. yards, a wholly-owned subsidiary, will undergo reorganization and expansion through a corporation to be known as Anaconda Building Materials Co.

Indian Council Discusses Tribal Problems

The fourteenth annual conference of the Governor's Interstate Indian Council convened in Missoula in August to discuss problems confronting American Indians.

Industrial Development

Throughout the session there was considerable emphasis regarding industrial development on reservations. During the industrial development panel, Dr. J. N. Lowe, chief of industrial development with the Bureau of Indian Affairs in Washington, D. C., reported on the progress of his office in securing job opportunities on reservations. "During the past year, 9 industrial plants were completed in the reservation areas, which, when in full operation will provide approximately 865 jobs, about 75 per cent of which will be occupied by Indian workers," he said.

Tribal Investments

Walter McDonald, chairman of the Northwest Affiliated Tribes, discussed the Big Bear enterprise on the Flathead Reservation. This is a private industry, which manufactures charcoal briquets, utilizing waste products from the Plum Creek Lumber Co. sawmill, and employs almost 100 per cent Indian labor. The tribe invested $35,000 in the company. He emphasized that the tribe must invest money to make money.

R. C. Setterstrom, industrial development engineer with the Montana Power Co., suggested that a study should be made of needed enterprises. One such area he mentioned was a company to build fences. He said that Montana uses one and a half million fence posts each year but that there is a great lack of this skill in the state.

Panel Members

Other members of the panel, besides Dr. Lowe, McDonald and Setterstrom, were Chairman Stephen C. DeMers, tribal leader; Tom Collins, director of the Montana State Planning Board; Reuben Fuhrer, industrial development specialist with the Bureau of Indian Affairs, Portland; Presley LaBreche, superintendent of the Flathead Reservation; and D. E. Atkinson, of Big Bear, Inc., Pablo.

During the afternoon the delegates toured the Big Bear plant at Pablo and Montana Power's Kerr Dam. The dam is located on Flathead Indian property and pays the tribal Council $200,000 per year rental.

Collins Attends Briefing on Navy Contracts

Director Tom Collins recently attended the Mountain States Navy Research and Development Clinic sponsored by the Office of Naval Material and the State of New Mexico. Nearly 500 people from all parts of the nation, consisting of representatives of research laboratories, universities, and segments of private industry gathered in Raton, New Mexico, for the clinic.

The purpose of the meeting was to bring together scientific Navy and civilian industrial personnel to discuss research and development problems encountered by the Navy which industry might well assist in solving.

In his luncheon address to the group, John E. Horne, administrator of the Small Business Administration, said that there should be a more equitable share of federal research and development contracts going to small businesses. "What we are trying to do is encourage the award of a greater proportion of prime contracts and subcontracts to small firms; to learn of the needs of purchasing agencies and prime contractors and to make those needs known to small firms that have the required skills and facilities to supply them," he added.

Montanan Addresses Group

Dr. Donald K. Weaver, Jr., president of Montronics, Inc., of Bozeman, was invited to address the general session which included speakers of national stature speaking on topics related to the objectives, policies, and significant trends in the Navy, in industry, and in science. He spoke on "The Mission of Small Business Industry in Research and Development." Montronics is Montana's first electronics firm (see Industrial Horizons, May, 1961) and Dr. Weaver was very enthusiastic about the contacts he made at the meeting and feels that they may well lead to some firm contracts.

SPB Follow-up

As a follow-up to the clinic, the State Planning Board will soon be sending out a survey form to certain Montana industries to ascertain to what extent they are interested in bidding on defense contracts. If the response is favorable, a concerted effort will be made to increase the volume of both commercial and defense business in the state, including research and development work, through united, cooperative action of industry, communities, and the state.

TRUCK COACHES MADE BY GREAT FALLS FIRM

Truck-mounted coaches, which have become so popular with vacationers, are being manufactured in Great Falls by the Cascade Coach Company.

Cascade started production of these trailer coaches a little over two years ago, and has grown to an annual production of over 100 units and employs about seven people.

They are produced in 8, 9, and 10 ft. lengths, with five different models to choose from. All models contain an over-cab bed plus two others in the dinette section. Other equipment includes a sink, stove, and ice box (available in several different colors), drop-leaf table, and closet space. Optional equipment, such as refrigerator, toilet, foam rubber mattresses, are available according to the customer's specifications.

The five standard models range in price from $1,295 to $1,500 and can be built to fit all makes of trucks.

Planning Board Director Tom Collins, who recently visited with owner Howard Tunnicliff at the Cascade Coach plant, was very impressed with their efficient operation. "This is the type of industry we need more of in Montana," he said. "This is an example of the ingenuity and ambition of Montana's people."

In the News . . .

Zonolite Co. is doing its share to publicize **Libby.** The firm has embarked on a program of bringing its customers there to see the local operation, the world's largest vermiculite mine. The objective, President Joseph Kelley of Chicago said, is to show people in the building industry that Zonolite has sufficient raw materials for the long pull and to demonstrate that the company can be a dependable supplier for the future. In addition to seeing Zonolite properties, the visitors also are exposed to Lincoln County's scenic wonders.

* * *

"Business Week" magazine for September 30th shows that **Montana led the nation** in percentage increase in **personal income** for July, 1961, compared with July, 1960. Montana's increase was 9 per cent, while the national increase was 7.4 per cent. For the first seven months of 1961 compared to the same period a year ago, Montana ranked fifth in percentage of increase. The national average percentage increase was .8, Montana's 5.9.

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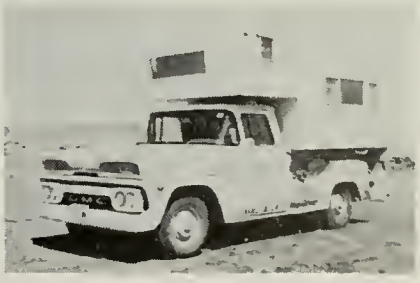
Recent incorporations for the purpose of developing and attracting new industry to their areas are the **Chinook** Development Corporation, the **Poplar** Industrial Development Company, the **Butte** Industrial Development Corporation and the **Deer Lodge County** Economic Betterment Corporation.



Cascade Coach mounted on truck

Superior—Home of the Wooden Stick Match

You probably can't find a paper match in Superior, for this western Montana town is the home of the wooden stick match. This little item, the savior of Boy Scouts and the delight of urbanites, is putting Superior on the map.

Since Superior's major industry is the Diamond National Corp., formerly Diamond Match Co., the Mineral County Sportsman's Club last spring appealed to residents of Superior to remove all book matches from the area. They then arranged with Diamond National for the purchase and distribution of 1,340 cases of specially imprinted boxes of "farmer matches."

An outline of the state is printed on the boxes, with the location of Superior clearly starred, and across the map in red letters is the message "Home of the Stick Match."

Two new signs on the edge of Interstate 90 at the approaches to Superior both east and west of the town also carry the message.

Diamond Match Co. began their operations in Superior in 1953 with a plant originally designed to produce Idaho White Pine match plank, used in the manufacture of wooden matches. Through a series of mergers and industrial expansion, it later became the Diamond National Corp.

The company now manufactures lumber in all grades and sizes and it is shipped to all parts of the U. S.

Improvements and additions since 1953 include four more dry kilns, an additional headrig in the sawmill, and a debarker and chipper for complete utilization of the log.

Other Diamond mills are located in Washington, Idaho, California, and Maine, and they also manufacture many products in the packaging field.

Ray Jasper, manager of the Superior plant, states that "Diamond National Corp. is proud to be a member of the growing community of Superior, and a part of the industrial heart of Montana."

Diamond National plant at Superior. The sawmill employs about 180 men on a year-round basis.

FINANCIERS TAKE A LOOK

(Continued from page 1)

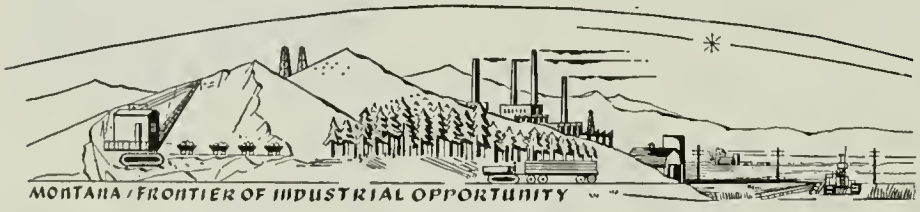
lems faced by Montanans regarding our water and hydroelectric resources.

John I. Taylor, assistant legislative director of the American Farm Bureau Federation, spoke on the provisions of S2246, known as the Resources Planning Act of 1961. Dr. Roy E. Huffman, dean of the Department of Agriculture at Montana State College, said that the role of each party to basin organization, local, state, and federal governments, and private industry, should be established and agreed upon.

Dr. Charles C. Bradley, dean at the Department of Letters and Science at MSC, outlined the program of the Water Institute being organized among faculty members at the college to coordinate all the work being done with regard to water.

Henry J. Sawtell, chairman of the State Water Conservation Board, said that Montana's water supply originates from an average of 15 inches of rainfall a year, which produces 117 million acre feet. About 41 million acre feet is runoff, but some 13 million acre feet comes into the state from other areas, making a net average runoff of 28 million acre feet. This fluctuates from 17 to 35 million feet. He said that the Water Conservation Board has several projects under survey for Montana. About 185,000 acre feet of storage could be developed and the board is studying federal legislation which would provide loans for these projects.

Jack Corette, president of the Montana Power Company, told of the efforts of public utilities in Montana to develop our water and hydroelectric potential.



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